

AMENDED IN ASSEMBLY AUGUST 25, 1997

AMENDED IN ASSEMBLY JULY 1, 1997

AMENDED IN SENATE JUNE 4, 1997

AMENDED IN SENATE MAY 20, 1997

AMENDED IN SENATE MAY 7, 1997

AMENDED IN SENATE MAY 1, 1997

AMENDED IN SENATE APRIL 21, 1997

SENATE BILL

No. 1325

Introduced by Senator Mountjoy

February 28, 1997

An act to amend Section 2982 of the Civil Code, ~~and to amend Sections 14602.6 and 22850.5 of the Vehicle Code,~~ relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1325, as amended, Mountjoy. Vehicles.

~~(1)~~Existing law requires specified conditional sale contracts for the sale of motor vehicles to contain specified disclosures and limits the amount of the disclosed finance charges. However, existing law provides that the limits do not apply to contracts in which the finance charge or a portion thereof is determined by the simple-interest basis and the amount financed, as specified, is more than \$1,650.

This bill would increase the exempted amount from more than \$1,650 to more than \$2,500.

~~(2) Under existing law, a vehicle that is removed and seized, because a peace officer has determined that the driver's privilege to operate the vehicle was suspended or revoked or the driver was never issued a license, is required to be released to the legal owner or the legal owner's agent when certain conditions are met, including, among other things, the condition that the legal owner or the agent presents foreclosure documents or an affidavit of repossession for the vehicle.~~

~~This bill would restrict the amount of storage fees that may be charged and would prohibit charging the registered owner certain transportation costs. The bill would include foreclosure documents or a certificate of repossession and documents of title issued by the Department of Motor Vehicles among the documents that are to be presented in order to obtain the release of the vehicle rather than the foreclosure documents or and would delete an affidavit of repossession for the vehicle. The bill would require these documents only if those documents have been issued by the department. The bill would impose specified notice and disclosure requirements on the legal owner and the impounding agency regarding possession of the vehicle by the legal owner.~~

~~(3) Existing law authorizes state and local agencies to adopt a regulation, ordinance, or resolution establishing procedures for the release of properly impounded vehicles and for the imposition of a charge equal to the administrative costs relating to the removal, impoundment, storage, or release of the vehicles subject to waiver.~~

~~This bill would clarify that the administrative costs may be imposed on the person who takes lawful possession of the vehicle from the local or state authority.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes no. State-mandated local program: no.~~

The people of the State of California do enact as follows:

1 SECTION 1. Section 2982 of the Civil Code is
2 amended to read:



1 2982. Every conditional sale contract subject to this
2 chapter shall contain the disclosures required by
3 Regulation Z whether or not Regulation Z applies to the
4 transaction. In addition, to the extent applicable, the
5 contract shall contain the other disclosures and notices
6 required by, and shall satisfy the requirements and
7 limitations of, this section. The disclosures required by
8 subdivision (a) may be itemized or subtotaled to a greater
9 extent than as required by that subdivision and shall be
10 made together and in the sequence set forth in that
11 subdivision. All other disclosures and notices may appear
12 in the contract in any location or sequence and may be
13 combined or interspersed with other provisions of the
14 contract.

15 (a) The contract shall contain the following
16 disclosures, as applicable, which shall be labeled
17 “itemization of the amount financed”:

18 (1) (A) The cash price, exclusive of document
19 preparation fees, taxes imposed on the sale, pollution
20 control certification fees, and the amount charged for a
21 service contract.

22 (B) The fee to be retained by the seller for document
23 preparation.

24 (C) The fee charged by the seller for certifying that
25 the motor vehicle complies with applicable pollution
26 control requirements.

27 (D) Any donation made to a high polluter repair or
28 removal program.

29 (E) Taxes imposed on the sale.

30 (F) The amount charged for a service contract.

31 (G) The total cash price, which is the sum of
32 subparagraphs (A) to (F), inclusive.

33 (2) An itemization of the amounts to be paid to any
34 public officer for license, certificate of title, motor vehicle
35 smog impact fee, and registration.

36 (3) The aggregate amount of premiums agreed, upon
37 execution of the contract, to be paid for policies of
38 insurance included in the contract, excluding the amount
39 of any insurance premium included in the finance charge.

(4) The amount of the state fee for issuance of a certificate of compliance, noncompliance, exemption, or waiver pursuant to any applicable pollution control statute.

(5) A subtotal representing the sum of the foregoing items.

(6) The amount of the buyer's downpayment itemized to show the following:

(A) The net agreed value of the property being traded in.

(B) The amount of any portion of the downpayment to be deferred until not later than the due date of the second regularly scheduled installment under the contract and which is not subject to a finance charge.

(C) The amount of any manufacturer's rebate applied or to be applied to the downpayment.

(D) The remaining amount paid or to be paid by the buyer as a downpayment.

(7) The amount of any administrative finance charge, labeled "prepaid finance charge."

(8) The difference between item (5) and the sum of items (6) and (7), labeled "amount financed."

(b) No particular terminology is required to disclose the items set forth in subdivision (a) except as expressly provided in that subdivision.

(c) If payment of all or a portion of the downpayment is to be deferred, the deferred payment shall be reflected in the payment schedule disclosed pursuant to Regulation Z.

(d) If the downpayment includes property being traded in, the contract shall contain a brief description of that property.

(e) The contract shall contain the names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 is to be sent.

(f) (1) Where the contract includes a finance charge determined on the precomputed basis, the contract shall identify the method of computing the unearned portion of the finance charge in the event of prepayment in full

1 of the buyer's obligation and contain a statement of the
2 amount or method of computation of any charge that may
3 be deducted from the amount of any unearned finance
4 charge in computing the amount that will be credited to
5 the obligation or refunded to the buyer. The method of
6 computing the unearned portion of the finance charge
7 shall be sufficiently identified with a reference to the
8 actuarial method if the computation will be under that
9 method. The method of computing the unearned portion
10 of the finance charge shall be sufficiently identified with
11 a reference to the Rule of 78's, the sum of the digits, or the
12 sum of the periodic time balances method in all other
13 cases, and those references shall be deemed to be
14 equivalent for disclosure purposes.

15 (2) Where the contract includes a finance charge
16 which is determined on the simple-interest basis but
17 provides for a minimum finance charge in the event of
18 prepayment in full, the contract shall contain a statement
19 of that fact and the amount of the minimum finance
20 charge or its method of calculation.

21 (g) (1) Where the contract includes a finance charge
22 which is determined on the precomputed basis and
23 provides that the unearned portion of the finance charge
24 to be refunded upon full prepayment of the contract is to
25 be determined by a method other than actuarial, the
26 contract shall contain a notice, in at least 10-point
27 boldface type if the contract is printed, reading as follows:
28 "Notice to buyer: (1) Do not sign this agreement before
29 you read it or if it contains any blank spaces to be filled
30 in. (2) You are entitled to a completely filled-in copy of
31 this agreement. (3) You can prepay the full amount due
32 under this agreement at any time and obtain a partial
33 refund of the finance charge if it is \$1 or more. Because
34 of the way the amount of this refund will be figured, the
35 time when you prepay could increase the ultimate cost of
36 credit under this agreement. (4) If you default in the
37 performance of your obligations under this agreement,
38 the vehicle may be repossessed and you may be subject
39 to suit and liability for the unpaid indebtedness
40 evidenced by this agreement."



1 (2) Where the contract includes a finance charge
2 which is determined on the precomputed basis and
3 provides for the actuarial method for computing the
4 unearned portion of the finance charge upon
5 prepayment in full, the contract shall contain a notice, in
6 at least 10-point boldface type if the contract is printed,
7 reading as follows: “Notice to buyer: (1) Do not sign this
8 agreement before you read it or if it contains any blank
9 spaces to be filled in. (2) You are entitled to a completely
10 filled-in copy of this agreement. (3) You can prepay the
11 full amount due under this agreement at any time and
12 obtain a partial refund of the finance charge if it is \$1 or
13 more. (4) If you default in the performance of your
14 obligations under this agreement, the vehicle may be
15 repossessed and you may be subject to suit and liability for
16 the unpaid indebtedness evidenced by this agreement.”

17 (3) Where the contract includes a finance charge
18 which is determined on the simple-interest basis, the
19 contract shall contain a notice, in at least 10-point
20 boldface type if the contract is printed, reading as follows:
21 “Notice to buyer: (1) Do not sign this agreement before
22 you read it or if it contains any blank spaces to be filled
23 in. (2) You are entitled to a completely filled-in copy of
24 this agreement. (3) You can prepay the full amount due
25 under this agreement at any time. (4) If you default in the
26 performance of your obligations under this agreement,
27 the vehicle may be repossessed and you may be subject
28 to suit and liability for the unpaid indebtedness
29 evidenced by this agreement.”

30 (h) The contract shall contain a notice in at least
31 8-point boldface type, acknowledged by the buyer, that
32 reads as follows:

33

34 “If you have a complaint concerning this sale, you
35 should try to resolve it with the seller.

36 Complaints concerning unfair or deceptive practices
37 or methods by the seller may be referred to the city
38 attorney, the district attorney, or the Department of
39 Motor Vehicles, Division of Investigations and



Occupational Licensing, P.O. Box 93289, Sacramento, California 94232-3890, or any combination thereof.

After this contract is signed, the seller may not change the financing or payment terms unless you agree in writing to the change. You do not have to agree to any change, and it is an unfair or deceptive practice for the seller to make a unilateral change.

Buyer's Signature"

(i) (1) The contract shall contain an itemization of any insurance included as part of the amount financed disclosed pursuant to paragraph (3) of subdivision (a) and of any insurance included as part of the finance charge. The itemization shall identify the type of insurance coverage and the premium charged therefor, and, if the insurance expires before the date of the last scheduled installment included in the repayment schedule, the term of the insurance shall be stated.

(2) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof is to be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(j) (1) Except for contracts in which the finance charge or portion thereof is determined by the simple-interest basis and the amount financed disclosed pursuant to paragraph (8) of subdivision (a) is more than two thousand five hundred dollars (\$2,500), the dollar amount of the disclosed finance charge shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars (\$225), $1\frac{1}{6}$ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars (\$225) as does not exceed nine hundred dollars

1 (\$900) and $\frac{5}{6}$ of 1 percent on so much of the unpaid
2 balance in excess of nine hundred dollars (\$900) as does
3 not exceed two thousand five hundred dollars (\$2,500); or
4 (ii) One percent of the entire unpaid balance;
5 multiplied in either case by the number of months
6 (computed on the basis of a full month for any fractional
7 month period in excess of 15 days) elapsing between the
8 date of the contract and the due date of the last
9 installment; or
10 (B) If the finance charge is determined by the
11 precomputed basis, twenty-five dollars (\$25); or
12 (C) If the finance charge or a portion thereof is
13 determined by the simple-interest basis:
14 (i) Twenty-five dollars (\$25) if the unpaid balance
15 does not exceed one thousand dollars (\$1,000), (ii) fifty
16 dollars (\$50) if the unpaid balance exceeds one thousand
17 dollars (\$1,000) but does not exceed two thousand dollars
18 (\$2,000), or (iii) seventy-five dollars (\$75) if the unpaid
19 balance exceeds two thousand dollars (\$2,000).
20 (2) The holder of the contract shall not charge, collect,
21 or receive a finance charge which exceeds the disclosed
22 finance charge, except to the extent (A) caused by the
23 holder's receipt of one or more payments under a
24 contract which provides for determination of the finance
25 charge or a portion thereof on the 365-day basis at a time
26 or times other than as originally scheduled whether or not
27 the parties enter into an agreement pursuant to Section
28 2982.3, (B) permitted by paragraph (2), (3), or (4) of
29 subdivision (c) of Section 226.17 of Regulation Z, or (C)
30 permitted by subdivisions (a) and (c) of Section 2982.8.
31 (3) If the finance charge or a portion thereof is
32 determined by the simple-interest basis and the amount
33 of the unpaid balance exceeds five thousand dollars
34 (\$5,000), the holder of the contract may, in lieu of its right
35 to a minimum finance charge under subparagraph (C) of
36 paragraph (1), charge, receive, or collect on the date of
37 the contract an administrative finance charge not to
38 exceed seventy-five dollars (\$75), provided that the sum
39 of the administrative finance charge and the portion of
40 the finance charge determined by the simple-interest

basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received, or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(4) When a contract provides for unequal or irregular payments, or payments on other than a monthly basis, the maximum finance charge shall be at the effective rate provided for in paragraph (1), having due regard for the schedule of installments.

(k) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the delinquent installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge unless the charge is permitted by Section 2982.3. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(l) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, including any additional finance charge imposed pursuant to Section 2982.8 or other additional charge imposed because the contract has been extended, deferred, or refinanced, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to

1 the sum of all the periodic monthly time balances under
2 the schedule of installments in the contract or, if the
3 contract has been extended, deferred, or refinanced, as
4 so extended, deferred, or refinanced. Where the amount
5 of the refund credit is less than one dollar (\$1), no refund
6 credit need be made by the holder. Any refund credit
7 may be made in cash or credited to the outstanding
8 obligations of the buyer under the contract.

9 (2) If the finance charge or a portion thereof was
10 determined on the simple-interest basis, the amount
11 required to prepay the contract shall be the outstanding
12 contract balance as of that date, including any earned
13 finance charges which are unpaid as of that date and, if
14 applicable, the amount provided in paragraph (3), and
15 provided further that in cases where a finance charge is
16 determined on the 360-day basis, the payments
17 theretofore received will be assumed to have been
18 received on their respective due dates regardless of the
19 actual dates on which the payments were received.

20 (3) Where the minimum finance charge provided by
21 subparagraph (B) or subparagraph (C) of paragraph (1)
22 of subdivision (j), if either is applicable, is greater than
23 the earned finance charge as of the date of prepayment,
24 the holder shall be additionally entitled to the difference.

25 (4) The provisions of this subdivision shall not impair
26 the right of the seller or the seller's assignee to receive
27 delinquency charges on delinquent installments and
28 reasonable costs and fees as provided in subdivision (k)
29 or extension or deferral agreement charges as provided
30 in Section 2982.3.

31 (5) Notwithstanding any provision of a contract to the
32 contrary, whenever the indebtedness created by any
33 contract is satisfied prior to its maturity through
34 surrender of the motor vehicle, repossession of the motor
35 vehicle, redemption of the motor vehicle after
36 repossession, or any judgment, the outstanding obligation
37 of the buyer shall be determined as provided in
38 paragraph (1) or (2); provided further that the buyer's
39 outstanding obligation shall be computed by the holder
40 as of the date the holder recovers the value of the motor

1 vehicle through disposition thereof or judgment is
2 entered or, if the holder elects to keep the motor vehicle
3 in satisfaction of the buyer's indebtedness, as of the date
4 the holder takes possession of the motor vehicle.

5 (m) Notwithstanding any other provision of this
6 chapter to the contrary, any information required to be
7 disclosed in a conditional sale contract under this chapter
8 may be disclosed in any manner, method, or terminology
9 required or permitted under Regulation Z, as in effect at
10 the time that disclosure is made, except that permitted by
11 paragraph (2) of subdivision (c) of Section 226.18 of
12 Regulation Z, provided that all of the requirements and
13 limitations set forth in subdivision (a) of this section are
14 satisfied. Nothing in this chapter prohibits the disclosure
15 in that contract of additional information required or
16 permitted under Regulation Z, as in effect at the time that
17 disclosure is made.

18 (n) If the seller imposes a fee for document
19 preparation, the contract shall contain a disclosure that
20 the fee is not a governmental fee.

21 (o) No seller may impose an application fee for a
22 transaction governed by this chapter.

23 (p) The seller or holder may charge and collect a fee
24 not to exceed fifteen dollars (\$15) for the return by a
25 depository institution of a dishonored check, negotiated
26 order of withdrawal, or share draft issued in connection
27 with the contract, if the contract so provides or if the
28 contract contains a generalized statement that the buyer
29 may be liable for collection costs incurred in connection
30 with the contract.

31 (q) The contract shall disclose on its face, by printing
32 the word "new" or "used" within a box outlined in red,
33 that is not smaller than one-half inch high and one-half
34 inch wide, whether the vehicle is sold as a new vehicle,
35 as defined in Section 430 of the Vehicle Code, or a used
36 vehicle, as defined in Section 665 of the Vehicle Code.

37 (r) The contract shall contain a notice with a heading
38 in at least 12-point bold type and the text in at least
39 10-point bold type, circumscribed by a line, immediately
40 above the contract signature line, that reads as follows:

THERE IS NO COOLING OFF PERIOD

California law does not provide for a “cooling off” or other cancellation period for vehicle sales. Therefore, you cannot later cancel this contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign below, you may only cancel this contract with the agreement of the seller or for legal cause, such as fraud.

SEC. 2. Section 14602.6 of the Vehicle Code is amended to read:

14602.6. (a) Whenever a peace officer determines that a person was driving a vehicle while his or her driving privilege was suspended or revoked or without ever having been issued a license, the peace officer may either immediately arrest that person and cause the removal and seizure of that vehicle or, if the vehicle is involved in a traffic collision, cause the removal and seizure of the vehicle, without the necessity of arresting the person in accordance with Chapter 10 (commencing with Section 22650) of Division 11. A vehicle so impounded shall be impounded for 30 days.

The impounding agency, within two working days of impoundment, shall send a notice by certified mail, return receipt requested, to the legal owner of the vehicle, at the address obtained from the department, informing the owner that the vehicle has been impounded. Failure to notify the legal owner within two working days shall prohibit the impounding agency from charging for more than 15 days' impoundment when the legal owner redeems the impounded vehicle.

(b) The registered and legal owner of a vehicle that is removed and seized under subdivision (a) or their agents shall be provided the opportunity for a storage hearing to determine the validity of, or consider any mitigating circumstances attendant to, the storage, in accordance with Section 22852.

1 ~~(c) Any period in which a vehicle is subjected to~~
2 ~~storage under this section shall be included as part of the~~
3 ~~period of impoundment ordered by the court under~~
4 ~~subdivision (a) of Section 14602.5.~~

5 ~~(d) (1) An impounding agency shall release a vehicle~~
6 ~~to the registered owner or his or her agent prior to the~~
7 ~~end of 30 day's impoundment under any of the following~~
8 ~~circumstances:~~

9 ~~(A) When the vehicle is a stolen vehicle.~~

10 ~~(B) When the vehicle is subject to bailment and is~~
11 ~~driven by an unlicensed employee of a business~~
12 ~~establishment, including a parking service or repair~~
13 ~~garage.~~

14 ~~(C) When the license of the driver was suspended or~~
15 ~~revoked for an offense other than those included in~~
16 ~~Article 2 (commencing with Section 13200) of Chapter 2~~
17 ~~of Division 6 or Article 3 (commencing with Section~~
18 ~~13350) of Chapter 2 of Division 6.~~

19 ~~(2) No vehicle shall be released pursuant to this~~
20 ~~subdivision, except upon presentation of the registered~~
21 ~~owner's or agent's currently valid driver's license to~~
22 ~~operate the vehicle and proof of current vehicle~~
23 ~~registration, or upon order of a court.~~

24 ~~(e) The registered owner or his or her agent is~~
25 ~~responsible for all towing and storage charges related to~~
26 ~~the impoundment, and any administrative charges~~
27 ~~authorized under Section 22850.5.~~

28 ~~(f) A vehicle removed and seized under subdivision~~
29 ~~(a) shall be released to the legal owner of the vehicle or~~
30 ~~the legal owner's agent prior to the end of 30 day's~~
31 ~~impoundment if all of the following conditions are met:~~

32 ~~(1) The legal owner is a motor vehicle dealer, bank,~~
33 ~~credit union, acceptance corporation, or other licensed~~
34 ~~financial institution legally operating in this state or is~~
35 ~~another person, not the registered owner, holding a~~
36 ~~security interest in the vehicle.~~

37 ~~(2) The legal owner or the legal owner's agent pays all~~
38 ~~towing and storage fees related to the seizure of the~~
39 ~~vehicle. No lien sale processing fees shall be charged to~~

1 the legal owner who redeems the vehicle prior to the
2 fifteenth day of impoundment.

3 (3) The legal owner or the legal owner's agent
4 presents foreclosure documents or a certificate of
5 repossession and documents of title issued by the
6 department showing proof of legal ownership for the
7 vehicle but only if provided those documents have been
8 issued by the department.

9 (g) (1) A legal owner, within 24 hours of obtaining the
10 vehicle pursuant to subdivision (f), shall provide actual
11 notice, either by mail or telephone, to the registered
12 owner of the vehicle informing the registered owner that
13 the vehicle is in the possession of the legal owner.

14 (2) A legal owner or the legal owner's agent that
15 obtains release of the vehicle pursuant to subdivision (f)
16 shall not release the vehicle to the registered owner of the
17 vehicle or any agents of the registered owner, unless the
18 registered owner is a rental car agency, until after the
19 termination of the 30-day impoundment period.

20 (3) The legal owner or the legal owner's agent shall not
21 relinquish the vehicle to the registered owner until the
22 registered owner or that owner's agent presents his or her
23 valid driver's license or valid temporary driver's license
24 to the legal owner or the legal owner's agent. The legal
25 owner or the legal owner's agent shall make every
26 reasonable effort to ensure that the license presented is
27 valid.

28 (4) Prior to relinquishing the vehicle, the legal owner
29 may require the registered owner to pay all towing and
30 storage charges related to the impoundment and any
31 administrative charges authorized under Section 22850.5
32 that were incurred by the legal owner in connection with
33 obtaining custody of the vehicle.

34 (5) (A) When a vehicle is released to a legal owner
35 pursuant to subdivision (f), the legal owner may not
36 charge a storage fee in excess of the amount that would
37 have been charged by the impounding agency had the
38 impounding agency stored the vehicle.

39 (B) Pursuant to subparagraph (A), any costs
40 associated with transporting the vehicle from the

1 ~~impounding agency to the legal owner's storage facility~~
2 ~~shall not be charged to the registered owner.~~

3 ~~(6) After the release of the vehicle to the legal owner,~~
4 ~~upon the request of the registered owner, the~~
5 ~~impounding agency shall disclose to the registered owner~~
6 ~~that the vehicle is in the possession of the legal owner and~~
7 ~~the address where the vehicle may be recovered.~~

8 ~~(h) (1) A vehicle removed and seized under~~
9 ~~subdivision (a) shall be released to a rental car agency~~
10 ~~prior to the end of 30 days' impoundment if the agency~~
11 ~~is either the legal owner or registered owner of the~~
12 ~~vehicle and the agency pays all towing and storage fees~~
13 ~~related to the seizure of the vehicle.~~

14 ~~(2) The owner of a rental vehicle that was seized~~
15 ~~under this section may continue to rent the vehicle upon~~
16 ~~recovery of the vehicle. However, the rental car agency~~
17 ~~shall not rent another vehicle to the driver of the vehicle~~
18 ~~that was seized until 30 days after the date that the vehicle~~
19 ~~was seized.~~

20 ~~(3) The rental car agency may require the person to~~
21 ~~whom the vehicle was rented to pay all towing and~~
22 ~~storage charges related to the impoundment and any~~
23 ~~administrative charges authorized under Section 22850.5~~
24 ~~that were incurred by the rental car agency in connection~~
25 ~~with obtaining custody of the vehicle.~~

26 ~~(i) Notwithstanding any other provision of this~~
27 ~~section, the registered owner and not the legal owner~~
28 ~~shall remain responsible for any towing and storage~~
29 ~~charges related to the impoundment, any administrative~~
30 ~~charges authorized under Section 22850.5, and any~~
31 ~~parking fines, penalties, and administrative fees incurred~~
32 ~~by the registered owner.~~

33 ~~SEC. 3. Section 22850.5 of the Vehicle Code is~~
34 ~~amended to read:~~

35 ~~22850.5. (a) A city, county, or city and county, or a~~
36 ~~state agency may adopt a regulation, ordinance, or~~
37 ~~resolution establishing procedures for the release of~~
38 ~~properly impounded vehicles and for the imposition of a~~
39 ~~charge equal to its administrative costs relating to the~~
40 ~~removal, impoundment, storage, or release of the~~

1 vehicles. Those administrative costs may be waived by
2 the local or state authority upon verifiable proof that the
3 vehicle was reported stolen at the time the vehicle was
4 removed.

5 (b) Administrative costs may be imposed on the
6 person who takes lawful possession of the vehicle from the
7 local or state authority, and shall not include any vehicle
8 towed under an abatement program or sold at a lien sale
9 pursuant to Sections 3068.1 to 3074, inclusive, of, and
10 Section 22851 of, the Civil Code unless the sale is sufficient
11 in amount to pay the lienholder's total charges and proper
12 administrative costs.

13 (c) Any administrative costs imposed shall be
14 collected by the local or state authority at the time of the
15 release of the vehicle.

16 (d) The administration charges imposed pursuant to
17 this section shall be in addition to any other charges
18 authorized or imposed pursuant to this code.

